

AGREEMENT BETWEEN  
THE SOCIAL SECURITY ADMINISTRATION  
AND THE STATE OF NORTH CAROLINA  
**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

I. Purpose, Legal Authority, and Definitions

A. Purpose (5 U.S.C. 552a(o)(1)(A))

The purpose of this agreement is to establish conditions under which the Social Security Administration (SSA) agrees to disclose information relating to the eligibility for, and payment of, Social Security benefits and/or supplemental security income (SSI) and special veterans benefits (SVB), including certain tax return information, to the **Department of Health and Human Services**, hereinafter referred to as the Coordinating State Agency, for use in:

(1) verifying income and eligibility factors for the State-administered programs listed in Article II.A. of this agreement; (2) verifying Social Security numbers (SSNs) of applicants for, and recipients of, benefits under such programs; and (3) providing safeguards against unauthorized use and redisclosure of such information by the Coordinating State Agency. This disclosure of information will ensure that the Coordinating State Agency has accurate information upon which to base its entitlement decisions for these programs.

NOTE: SSA refers to the Coordinating State Agency as the "A" agency and any agreement with it as an "A" agreement. When data is shared by the "A" agency with another agency in the State, that agency receiving data from the "A" agency becomes known to SSA as a "B" agency in that State. SSA refers to a "B" agency as the Requesting State Agency when SSA enters into a "B" agreement with it for disclosure of data from the "A" agency. In some States, data is transmitted through a separate State Transmission Component. In these States, each component is responsible for the disclosure aspects of the computer match.

B. Legal Authority (5 U.S.C. 552a(o)(1)(A))

This matching program is authorized by law under section 1137 of the Social Security Act (42 U.S.C. 1320b-7). Section 1137 mandates that the States use an income and eligibility verification system to administer the federally-funded benefit programs (e.g., Medicaid, Temporary Assistance for Needy Families (TANF), and Food Stamp programs). This agreement implements this section by allowing SSA to disclose the data necessary for the State's administration of these programs.

This "A" agreement sets forth the responsibilities of SSA and the Coordinating State Agency with respect to information obtained pursuant to the agreement which is permitted by the Privacy Act of 1974, as amended and SSA's Privacy Act Regulations (20 C.F.R. 401.150). The agreement takes into account SSA's responsibilities under section 1106 of the Social Security Act (42 U.S.C. 1306) (see Appendix A of this agreement) and the responsibilities of SSA and the Coordinating State Agency under the Internal Revenue Code (IRC) (26 U.S.C. 6103).

SSA may, under this agreement, disclose prisoner and death data to the Coordinating State Agency for the administration of the federally-funded benefit programs. The authority for the disclosure of prisoner data is contained in section 202(x)(3)(B)(iv) of the Social Security Act (42 U.S.C. 402(x)(3)(B)(iv)). Section 205(r)(3) of the Social Security Act (42 U.S.C. 405(r)(3)) is the authority for the disclosure of death data.

The quarters of coverage aspect is authorized by sections 402, 412, 421 and 435 of P.L. 104-193 (8 U.S.C. 1612, 1622, 1631, 1645). For purposes of implementation, which involves the significance of Social Security quarters of coverage to the eligibility of certain aliens for certain defined Federal and State public benefits, SSA may under this agreement disclose to the Coordinating State Agency, to the extent permitted by law, quarters of coverage and equivalent information.

The Federal programs mandatorily or potentially affected by the above-referenced sections of P.L. 104-193 are: SSI, food stamps, and TANF under part A of Title IV of the Social Security Act; SVB under Title VIII of the Social Security Act; social services block grants under Title XX of the Social Security Act; and State Medicaid plans approved under Title XIX of the Social Security Act. The State benefits are: TANF, Medicaid, Food Stamps, Services for the Blind, Vocational Rehabilitation Services, and DHHS-State Mental Hospital.

The SSA component responsible for this matching agreement is the Office of Income Security Programs. The responsible component for the Coordinating State Agency is the Department of Health and Human Services. This agreement supersedes any and all existing agreements made between the Coordinating State Agency and SSA. Where there is conflicting language between this agreement and any previous agreements, this agreement shall take precedence.

#### C. Definitions

1. "BENDEX" means the Beneficiary and Earnings Data Exchange System.
2. "Coordinating State Agency" means Department of Health and Human Services, which is responsible for requesting and receiving

information from SSA for all agencies within the State of North Carolina under the terms of this agreement.

3. "DIB" means the Data Integrity Board.
4. "Equivalent Information" means the earnings amounts from employment not covered under the Social Security Act converted to information equivalent to quarters of coverage information provided for work covered by the Social Security Act.
5. "EVS" means the Enumeration Verification System.
6. "Food Stamp Program" means, for purposes of the quarters of coverage aspect of this matching program as authorized under the above-cited provisions of P.L. 104-193, the Program defined in 7 U.S.C. 2012(h) of the Food Stamp Act of 1977.
7. "FTMS" means the SSA File Transfer Management System.
8. "Health Maintenance Program" (if appropriate) means a noncommercial program designed to provide an individual with health care (both preventive and treatment) or to subsidize the cost of such care (e.g., Medicare, Medicaid). Note: A commercial insurance company, acting as an agent or contractor of the State, may administer such a program for a State or local agency.
9. "Income Maintenance Program" (if appropriate) means a noncommercial program designed to provide an individual with basic necessities of life (e.g., food, clothing, shelter, utilities) or to supplement the individual's income to permit the purchase of such necessities (e.g., subsidized housing, food stamps, TANF, general assistance, Title XX services, energy assistance, State supplementation).
10. "IRC" means the Internal Revenue Code.
11. "MBR" means the Master Beneficiary Record.
12. "MEF" means the Master Earnings File, also known as the Earnings Recording and Self-Employment Income System.
13. "NUMIDENT" means a subsystem of the Master Files of SSN Holders and SSN Applications.
14. "OMB" means the Office of Management and Budget.
15. "PUPS" means the Prisoner Update Processing System.
16. "Quarters of Coverage" means quarters of coverage as assigned and described under Title II of the Social Security Act. The term "quarters of

coverage" is also referred to as "credits" in various SSA public information documents. The term "Social Security credits" may be used interchangeably as well. Quarters of coverage as used in this agreement may also refer to "qualifying quarters" which would entitle individuals to receive food stamps.

17. "Requesting State Agency" means Department of Health and Human Services which is requesting SSA information through the Coordinating State Agency.
18. "SDX" means the State Data Exchange.
19. "SSA" means the Social Security Administration.
20. "SSI" means the Supplemental Security Income Program established under Title XVI of the Social Security Act.
21. "SSN" means Social Security number.
22. "SSR/SVB" means the Supplemental Security Income Record and Special Veterans Benefits.
23. "State Administered Program" means any means-tested public benefits program of a State or political subdivision of a State under which the State or political subdivision specifies the standards for eligibility.
24. "State Agency" means the agency defined in Article I.A. above, **Department of Health and Human Services**, including any applicable county, local, or other office thereof, regardless of whether the employees of the agency are State, county, or local government employees.
25. "State Transmission Component" (computer data center) means the North Carolina Information and Technology Service (ITS). The State Transmission Component is responsible for sending data and receiving all data sets exchanged between SSA and the State of North Carolina.
26. "SVB" means the special veterans benefits established under Title VIII of the Social Security Act. Under this program, certain World War II veterans who were eligible for benefits under Title XVI when Title VIII was enacted on December 14, 1999, may be entitled to receive a special benefit for each month they subsequently reside outside the United States after April 2000.
27. "SVES" means the State Verification and Exchange System.
28. "Tax Return Information" has the same meaning as given in

26 U.S.C. 6103(b). For purposes of this agreement, "tax return information" includes SSA's records obtained under the authority of 26 U.S.C. 6103 and 42 U.S.C. 432 concerning the amount of an individual's earnings from wages and/or self-employment income, the periods involved, the identities and addresses of employers, and the amount of payment of retirement income.

## II. Justification and Anticipated Results (5 U.S.C. 552a(o)(1)(B))

### A. Justification

1. The Coordinating State Agency is required by law (see Article I.B. above) to use information relating to eligibility for and amount of Social Security benefits and/or SSI and SVB benefits, quarters of coverage, prisoner, and death information under the Social Security Act, and certain tax return information, for administration of the specific State programs covered by this agreement: TANF, Medicaid, Food Stamps, Services for the Blind, Vocational Rehabilitation Services, and DHHS-State Mental Hospital. Additional programs mandated by law after the inception of this agreement may be added to the coverage of this agreement.
2. SSA is required by law to disclose certain information to the Coordinating State Agency and agrees to provide quarters of coverage information to the State for purposes of P.L. 104-193. Under P.L. 104-193, the Coordinating State Agency may be required to determine the number of quarters of coverage of certain alien applicants and their parents and spouses in determining the eligibility of such applicants for certain defined public benefits. SSA at its discretion, to the extent permitted by law, may provide to the Coordinating State Agency quarters of coverage information and equivalent information recorded in the applicant's account or the accounts of the parents or spouse of such applicant.
3. The Coordinating State Agency is required by law to require each applicant for, or recipient of, benefits under TANF, Medicaid, Food Stamps, Services for the Blind, Vocational Rehabilitation Services, and DHHS-State Mental Hospital to furnish his or her SSN or identifying information and to utilize such number or identifying information in the administration of the programs. SSA is required by law to verify the SSN of individuals applying for these State-administered benefit programs.
4. The use of computer technology to transfer data from SSA to the Coordinating State Agency is more efficient and quicker than the use of manual processes.

### B. Anticipated Results

The Coordinating State Agency expects program savings of \$2,121,604.07 over the period of 18 months at a cost of \$1,295,031.16 by performing this matching program. SSA does not expect any direct program savings to result from this matching program, but will accrue net administrative savings of approximately \$12.8 million through increased efficiencies in coordinating the administration of mutually dependent Federal and State programs. In such fashion, the matching program is expected generally to benefit federally-funded programs that are State administered. SSA costs are estimated not to exceed .2 cents per record.

### III. Systems Operations

This matching program is conducted in the following ways:

- A. The SDX aspect of this matching program is operated by SSA periodically sending the State a file of SSI and SVB recipients in that State who are currently receiving SSI and SVB payments, or were recently terminated, or had changes in status.
- B. The BENDEX aspect of this matching program is operated by the State periodically sending to SSA a file of applicants for, or recipients of, benefits under certain State-administered programs (see Article II.A.) for whom Social Security benefit information and/or earnings data is required.
- C. The EVS aspect of this matching program is operated by the State periodically sending to SSA a file of applicants for, or recipients of, benefits under certain State-administered programs (see Article II.A.) for whom SSN verification is required.
- D. The SVES aspect of this matching program is operated by the State periodically sending to SSA a file of applicants for, or recipients of, benefits under certain State-administered programs (see Article II.A.) for whom Social Security, SSI and SVB benefit information and/or SSN verification is required.
- E. The quarters of coverage aspect of this matching program is operated by the State periodically sending to SSA a file of applicants for, or recipients of, benefits under certain State-administered programs (see Article II.A.) and, where permitted by applicable law, the parents or spouses of such applicants when requesting quarters of coverage or equivalent information necessary for the implementation of the above-referenced sections of P.L. 104-193.
- F. The prisoner aspect of this matching program is operated by the State periodically sending to SSA a file of applicants for, or recipients of, benefits under certain State-administered programs (see Article II.A.) for the State to verify and otherwise ensure that benefits are not issued to individuals who are not entitled to receive such benefits.

- G. The death aspect of this matching program is operated by the State periodically sending to SSA a file of applicants for, or recipients of, benefits under certain State-administered programs (see Article II.A.) for the State to verify and otherwise ensure that benefits are not issued to individuals who are not entitled to receive such benefits.

#### IV. Description of the Records to be Matched (5 USC 552a(o)(1)(C))

##### A. Systems of Records (see description at Appendix B)

1. SSA's systems of records used for purposes of this agreement will be the SSR/SVB, MBR, Earnings Recording and Self-Employment Income System (subsystem referred to as the MEF), Master Files of SSN Holders and SSN Applications (subsystems referred to as the EVS, the ALPHIDENT, or the NUMIDENT), and PUPS. MULTX, the systems program that associates multiple SSNs that are related to the applicant's earnings file, may also be used.
2. For each aspect of this matching program, the following are the SSA systems of records that will be accessed:
  - a. SDX – SSR/SVB, SSA/ODSSIS (60-0103);
  - b. BENDEX – MBR, SSA/ORSIS (60-0090) and the Earnings Recording and Self-Employment Income System, SSA/OEEAS (60-0059);
  - c. EVS – Master Files of SSN Holders and SSN Applications, SSA/OEEAS (60-0058);
  - d. SVES – SSR/SVB, SSA/ODSSIS (60-0103); MBR, SSA/ORSIS (60-0090); Earnings Recording and Self-Employment Income System, SSA/OEEAS (60-0059); Master Files of SSN Holders and SSN Applications, SSA/OEEAS (60-0058); and PUPS, SSA/OEEAS (60-0269);
  - e. Quarters of Coverage Query – Earnings Recording and Self-Employment Income System, SSA/OEEAS (60-0059) and the Master Files of SSN Holders and SSN Applications, SSA/OEEAS (60-0058);
  - f. Prisoner Query – PUPS, SSA/OEEAS (60-0269); and
  - g. Death Query – Master Files of SSN Holders and SSN Applications, SSA/OEEAS (60-0058) – subsection referred to as the NUMIDENT.

3. SSA and the Coordinating State Agency will exchange information through FTMS. Cartridge or magnetic tape will be used in the event FTMS is inoperable.

B. Specified Data Elements Used in the Match

1. SDX – When the Coordinating State Agency receives SSI and SVB program data and uses this data in matching activities, it will match the SDX file to the appropriate fields in State files.
2. BENDEX – The Coordinating State Agency will provide SSA with name, SSN, and date of birth for those individuals about whom information is requested from BENDEX.
3. EVS – The Coordinating State Agency will provide SSA with name, SSN, and date of birth for those individuals about whom SSN verification is requested from EVS.
4. SVES – The Coordinating State Agency will provide SSA with name, SSN, and date of birth for those individuals about whom information is requested from SVES.
5. Quarters of Coverage Query – The Coordinating State Agency will provide SSA with name, SSN, and date of birth for those individuals about whom information is requested from SVES.
6. Prisoner Query – The Coordinating State Agency will provide SSA with name, SSN, and date of birth for those individuals about whom information is requested from PUPS.
7. Death Query – The Coordinating State Agency will provide SSA with name, SSN, and date of birth for those individuals about whom information is requested from the Master Files of SSN Holders and SSN Applications (NUMIDENT).

C. Number of Records Involved

1. SDX – SSA will furnish to the Coordinating State Agency daily SDX files containing information on SSI and SVB recipients. The number of records given to the Coordinating State Agency during a month will be approximately 300,000.
2. BENDEX – The Coordinating State Agency will furnish to SSA bimonthly files containing identifying information of applicants for, or recipients of, benefits under State-administered programs. The Coordinating State Agency will be requesting approximately 260,000 records each month from SSA.



3. EVS – The Coordinating State Agency will furnish to SSA 3 times per month SSNs of applicants for, or recipients of, benefits under State-administered programs. The Coordinating State Agency will be requesting approximately 250,000 records each month from SSA.
4. SVES – The Coordinating State Agency will furnish to SSA daily files containing identifying information of applicants for, or recipients of, benefits under State-administered programs. The Coordinating State Agency will be requesting approximately 6,400 records each month from SSA.
5. Quarters of Coverage Query – The Coordinating State Agency will furnish to SSA daily files containing identifying information of applicants for, or recipients of, benefits under State-administered programs. The Coordinating State Agency will be requesting approximately 120 records each month from SSA.
6. Prisoner Query – The Coordinating State Agency will furnish to SSA quarterly files containing identifying information of applicants for, or recipients of, benefits under State-administered programs. The Coordinating State Agency will be requesting approximately 100,000 records each month from SSA.
7. Death Query – The Coordinating State Agency will furnish to SSA monthly files containing identifying information of applicants for, or recipients of, benefits under State-administered programs. The Coordinating State Agency will be requesting approximately 259,000 records each month from SSA.

## V. Duration and Modification of the Agreement

### A. Duration

This agreement will be effective 40 days after submission of matching notices on this program to Congress and OMB, or 30 days after publication of the computer matching notice for this matching program in the Federal Register, or upon signature of the agreement by both parties to the agreement, whichever is later.

This agreement may be extended at the end of 18 months, for a period of time, up to 12 months, but not to exceed June 30, 2007, if SSA certifies to the DIB, and the Coordinating State Agency agrees in writing, within 3 months prior to the expiration of the agreement, pursuant to 5 U.S.C. 552a(o)(2)(D) that:

1. The matching program will be conducted without change, and
2. The matching program has been conducted in compliance with the original agreement.

If either agency does not wish to renew this agreement, it shall notify the other of its intention not to renew at least 90 days before the end of the then current period. Either party may singly terminate the agreement upon written notice to the other party, in which case the termination shall be effective 90 days after the date of the notice, or at a later date specified in the notice. The agreement may be terminated at any time by the mutual written consent of both parties.

B. Modification

This agreement may be modified at any time by a written modification to this agreement which satisfies both parties and is approved by the DIB.

VI. Procedures for Notice (5 U.S.C. 552a(o)(1)(D))

A. Applicants

Both the Coordinating State Agency and SSA agree to notify all individuals who apply for benefits for their respective programs that any information provided by them is subject to verification through matching programs. The Coordinating State Agency's notice consists of the following language provided at application:

The Application Form signed by the applicant contains the following:

I understand that I must furnish all social security numbers used by me and/or anyone listed on this application to determine my eligibility for assistance. I also understand these social security numbers will be used in matching information with the Social Security Administration (SSA), Internal Revenue Service (IRS), Employment Security Commission (ESC), Department of Transportation (DOT), out of state welfare and ESC agencies, and any other agencies, when applicable. If I do not want these social security numbers used in the matches, I understand that I have the right to withdraw my application or have my assistance terminated.

The verification booklet signed by the applicant contains the following:

I understand I must furnish all social security numbers used by me and/or anyone listed on this application to determine my/our eligibility for assistance. I understand these social security numbers will be used in matching information with the Social Security Administration (SSA), Internal Revenue Service (IRS), Employment Security Commission (ESC), out-of-state welfare and ESC agencies, and any other agencies, when applicable. If I do not want these social security numbers used in the matches, I

understand I have the right to withdraw my application or have my assistance terminated.

SSA's notice consists of appropriate language printed on its application forms or a separate handout with appropriate language when necessary.

B. Beneficiaries/Annuitants

Both the Coordinating State Agency and SSA will provide subsequent notices to their respective retirees, annuitants, beneficiaries, and/or recipients. The Coordinating State Agency's notice consists of the following language provided at re-enrollment:

The verification booklet signed by the recipient contains the following:

I understand I must furnish all social security numbers used by me and/or anyone listed on this application to determine my/our eligibility for assistance. I understand these social security numbers will be used in matching information with the Social Security Administration (SSA), Internal Revenue Service (IRS), Employment Security Commission (ESC), out-of-state welfare and ESC agencies, and any other agencies, when applicable. If I do not want these social security numbers used in the matches, I understand I have the right to withdraw my application or have my assistance terminated.

SSA's notice consists of a notice of this matching program in the Federal Register and periodic mailings to all beneficiaries and recipients describing SSA's matching activities.

VII. Verification and Opportunity to Contest Match Data  
(5 U.S.C. 552a(o)(1)(E) and 5 U.S.C. 552a(p))

A. Verification

Based on the determination of SSA's DIB pursuant to its approval of this agreement, unless contradictory OMB final guidelines are issued, the Coordinating State Agency may consider all SSA benefit data disclosed under this agreement as verified, as provided in 5 U.S.C. 552a(p)(1)(A)(ii). Thus, the DIB has determined that the information is limited to identification and amount of benefits paid by SSA under a Federal benefit program and there is a high degree of confidence in the accuracy of the data (see accuracy assessment below in Article XI). The Coordinating State Agency may use the above-specified data without independent verification in their administration of the programs listed in Article II.A. of this agreement. Prisoner and death data, however, do not have this high degree of accuracy; and before any adverse action can be taken against any individual, this data must be independently verified.

## B. Opportunity to Contest

The Coordinating State Agency agrees that there can be no termination, suspension, reduction, final denial, or other adverse action taken against an individual based on this computer match with SSA until there is an opportunity to contest the match information such that:

1. Notice is provided by the Coordinating State Agency to the affected individual which informs that individual of the match findings and the opportunity to contest these findings.
2. The affected individual is given until the expiration of any time period established for the relevant benefit program by a statute or regulation for the individual to respond to the notice. If no such time period is established by a statute or regulation for the program, a 30-day period shall be provided. The time period begins on the date on which notice is mailed or otherwise provided to the individual to respond.
3. The notice clearly states that, unless the individual responds to the notice in the required time period, the Coordinating State Agency will conclude that the match data provided by SSA is correct and will make the necessary adjustment to the individual's payment.

## VIII. Procedures for Retention and Timely Destruction of Identifiable Records (5 U.S.C. 552a(o)(1)(F))

### A. Coordinating State Agency

The Coordinating State Agency will retain all identifiable records received from SSA only for the period of time required for any processing related to the matching program and will then destroy the records. Magnetic tape files shall be erased and electronic data shall be deleted.

As part of the matching program, any accretions, deletions, or changes to SSA's program rolls provided by SSA to the Coordinating State Agency can be used by the Coordinating State Agency to update its master files, which will be permanently retained under cognizable authority governing the Coordinating State Agency's retention of records. Any other identifiable records must be destroyed unless the information has to be retained in individual file folders in order to meet evidentiary requirements. In the latter instance, the Coordinating State Agency will retire identifiable records in accordance with the State's case record retention schedule for Public Assistance records.

### B. State Transmission Component

A State Transmission Component may be involved in the electronic transfer of data by SSA to the State Agency. In this situation, the State Transmission Component will retain all identifiable records received from SSA only for the

period of time required between reception of the SSA file and its transmission to the State Agency. A copy of files transmitted to the State Agency shall not be retained by the State Transmission Component.

C. SSA

SSA will delete electronic data input files received from the State Agency when the match has been completed. SSA will retire identifiable records in accordance with the Federal Records Retention Schedule (44 U.S.C. 3303a).

D. Neither SSA nor the Coordinating State Agency will create a separate file or system concerning only individuals whose records are used in this matching program.

IX. Procedures for Security (5 U.S.C. 552a(o)(1)(G))

A. At a minimum, SSA will safeguard the Coordinating State Agency's information and the Coordinating State Agency will safeguard SSA's information as follows:

1. Access to the records matched and to any records created by the match will be restricted to only those authorized employees and officials who need it to perform their official duties in connection with the uses of the information authorized in this agreement.
2. The records matched and any records created by the match will be stored in an area that is physically safe from access by unauthorized persons during duty hours, as well as nonduty hours, or when not in use.
3. The records matched and any records created by the match will be processed under the immediate supervision and control of authorized personnel in a manner which will protect the confidentiality of the records, and in such a way that unauthorized persons cannot retrieve any such records by means of computer, remote terminal, or other means.
4. All personnel who will have access to the records matched and to any records created by the match will be advised of the confidential nature of the information, the safeguards required to protect the information, and the civil and criminal sanctions for noncompliance contained in applicable Federal laws.
5. The records shall be transported under appropriate safeguards.

B. SSA may make onsite inspections or make other provisions to ensure that adequate safeguards are being maintained by the Coordinating State Agency and the State Transmission Component.

- C. The Secretary of the Treasury has published a brochure entitled "Tax Information Security Guidelines for Federal, State and Local Agencies," Publication 1075, which is available from the Internal Revenue Service (IRS) District Disclosure Officer in the appropriate IRS district. SSA and the Coordinating State Agency agree to comply with these guidelines and any revision of them, submit to IRS audits, and furnish the required reports to IRS. The aforementioned brochure is hereby incorporated by reference into this agreement.

SSA recognizes States already are subject to IRS safeguard reviews which require States to meet a high degree of compliance; and as a result, SSA's future review activity will complement, rather than duplicate, IRS security requirements and review activity.

SSA's Office of Systems Security Operations Management has prepared written guidelines entitled, "Information System Security Guidelines for Federal, State and Local Agencies Receiving Electronic Information from the Social Security Administration." These guidelines (see Appendix C) provide instructions and an explanation of SSA's security requirements. Additional copies are available upon request. By signing this agreement, the State (or State Agency) agrees to comply with SSA's security guidelines.

X. Records Usage, Duplication, and Redisclosure Restrictions  
(5 U.S.C. 552a(o)(1)(H) and 5 U.S.C. 552a(o)(1)(I))

- A. The Coordinating State Agency agrees to the following limitations on the use, duplication, and redisclosure of the data files (see Article IV above) and information provided by SSA:
  - 1. The tax return information the BENDEX contains will be used only to determine individual eligibility for, or the amount of, assistance under a State plan pursuant to section 1137 of the Social Security Act. The other data provided by SSA shall not be redisclosed or used for any purpose other than to determine eligibility for, or the amount of, benefits under the State-administered income/health maintenance programs specified in Article II.A. of this agreement. Such State-administered programs must be authorized in statements of routine use published by SSA in the Federal Register or otherwise specifically approved by SSA and not otherwise prohibited by applicable law. The Coordinating State Agency may, however, disclose the information provided with the consent of the subject individual.
  - 2. The tax return information the BENDEX contains and the other data provided by SSA will not be used to extract for any purpose information concerning individuals who are neither applicants for, nor recipients of, benefits under the State-administered income/health maintenance programs specified in Article II.A. of this agreement. Information will be used in a manner provided for by applicable law and described in this agreement. Disclosures to such State-administered programs must be

authorized in statements of routine use published by SSA in the Federal Register or otherwise specifically approved by SSA and not otherwise prohibited by applicable law.

3. Except as necessary for the operation of this matching program, as provided in this agreement, files provided by SSA will not be duplicated or disseminated within or outside the Coordinating State Agency without the written approval of SSA. SSA will not grant such authority unless the redisclosure is required by law or is essential to the matching program. In such instances, the Coordinating State Agency must specify in writing what records are being disclosed, to whom, and the reasons that justify such redisclosure.
  4. SSA files provided to the Coordinating State Agency remain the property of SSA and will be handled as provided in Article VIII above, once matching activity under this agreement is completed.
- B. SSA agrees to the following limitations on the use, duplication, and redisclosure of the identifying files and information provided by the Coordinating State Agency under Article IV:
1. The files provided by the Coordinating State Agency will be used and accessed only for the purposes specified in this agreement.
  2. The files provided by the Coordinating State Agency will not be used to extract information concerning the individuals therein for any purpose not specified in this agreement.
  3. The files provided by the Coordinating State Agency will not be duplicated or disseminated within or outside SSA without the written permission of the Coordinating State Agency.
  4. The files provided by the Coordinating State Agency remain the property of the Coordinating State Agency and will be handled as provided in Article VIII above, once matching activity under this agreement is completed.
- C. Both SSA and the Coordinating State Agency shall adopt policies and procedures to ensure that information contained in their respective records and obtained from each other shall be used solely as provided in this agreement, including adherence to the terms of section 1106 of the Social Security Act (42 U.S.C. 1306), section 6103(p)(4) of Title 26 of the IRC for tax return information, and the regulations promulgated thereunder.
- D. Both SSA and the Coordinating State Agency agree that the information generated through the match will be destroyed as soon as it has served the matching program's purpose. Any legal retention requirements SSA establishes in conjunction with the National Archives and Records Administration will be met.

#### XI. Accuracy Assessments (5 U.S.C. 552a(o)(l)(J))

Previous matches with the same files indicate that the Coordinating State Agency's records are 95 % accurate based on **past experience and reports generated by the matching programs** and that SSA's benefit records are more than 99% accurate when they are created. The prisoner and death records, some of which are not verified by SSA, do not have this high degree of accuracy.

#### XII. Access by the Comptroller General (5 U.S.C. 552a(o)(l)(K))

The Government Accountability Office (Comptroller General) may have access to Coordinating State Agency and SSA records that the Comptroller General deems necessary in order to monitor or verify compliance with this agreement.

#### XIII. Additional Functions to be Performed Under This Agreement

##### A. The Coordinating State Agency agrees:

1. That the SDX, BENDEX, and SVES systems will be used by the Coordinating State Agency to obtain Social Security, SSI and SVB payment information on the applicants/recipients of the programs identified in Article II.A. above. The Coordinating State Agency also agrees that it will use BENDEX and/or SVES to obtain tax return information and/or quarters of coverage, prisoner, and death information pertaining to only those persons for which use is authorized by applicable law pursuant to section 1137 of the Social Security Act, as specified in this agreement. Use and disclosure of this information for other purposes are subject to the restrictions in Article X of this agreement.
2. To provide information obtained in the quarters of coverage query, as necessary, to State and local government agencies within the State which will make quarters of coverage determinations under P.L. 104-193.
3. To provide SSA with the necessary identifying information concerning those individuals about whom information is requested from BENDEX or SVES. (Specific requirements for the request are discussed in the BENDEX handbook or SVES manual.) The Coordinating State Agency also agrees to notify SSA when an individual is no longer eligible for benefits.
4. To disseminate SSA-supplied information to those other agencies within the State with which SSA has made a separate "B" agreement to provide benefit, eligibility, and tax return information. Any separate agreement must conform with the requirements of applicable law, as provided in that agreement.



5. To submit SSNs for verification through EVS or SVES in the format specified by SSA. If SSA notifies the Coordinating State Agency that the SSN and identifying information do not match, the client should be asked about other names used and then the Coordinating State Agency should resubmit the verification request a second time through EVS or SVES. The Coordinating State Agency may refer the client to the SSA field office for a replacement Social Security card, if necessary.

B. SSA agrees:

1. To initially verify the SSNs submitted and to process only verified SSNs in the conduct of the matching program.
2. To the extent permitted by applicable law, to furnish to the Coordinating State Agency files containing the necessary information for identified individuals via BENDEX or SVES. The files provided by SSA will adhere to the characteristics and data format requirements shown in Appendix B.
3. To the extent permitted by applicable law, to disclose to the Coordinating State Agency, via BENDEX or SVES, based on its request, Social Security benefit payment and tax return information contained in SSA's records regarding those individuals whom the Coordinating State Agency identifies. SSA will provide additional information about each individual identified by the Coordinating State Agency whenever SSA posts changes to its records until the individual dies or the Coordinating State Agency notifies SSA that the individual is no longer eligible for assistance under the programs identified in Article II.A. above.
4. To the extent permitted by applicable law, to disclose to the Coordinating State Agency, via SDX or SVES, payment information contained in SSA's records concerning applicants/recipients of SSI and SVB payments. The files provided by SSA will be IBM compatible and will adhere to the characteristics and information format requirements shown in Appendix B.
5. To the extent permitted by applicable law, to disclose to the Coordinating State Agency, via EVS or SVES, whether or not the identifying information and SSN furnished agree with SSA records and, if not, what element of information (name, date of birth, or sex code) does not agree. Any multiple SSNs also will be furnished to the Coordinating State Agency.

#### XIV. Reimbursement

SSA estimates it will incur approximately \$1.9 million in administrative costs to perform matching operations under this national program. This includes expenses for systems' programming and ongoing transaction fees. However,

SSA will accrue savings estimated at \$14.7 million because manual processes in field offices will be supplanted by automated interfaces. This equates to a 1:8 cost-benefit ratio. The Coordinating State Agency will also accrue sizable program savings. Consequently, the parties recognize the mutual benefits of the matching program and agree to a quid pro quo arrangement in which no cost reimbursement is required. Adjustments may be required in the future if it is determined that costs are disproportionate. Such adjustments, if necessary, will be negotiated and documented in a separate reimbursable agreement.

#### XV. Persons to Contact

##### A. The SSA contacts are:

##### 1. Agreement Issues:

Maureen Carper  
Office of Income Security Programs  
Information Exchange and Matching Staff  
74 RRCC  
6401 Security Boulevard  
Baltimore, Maryland 21235  
Phone: (410) 965-0806  
Fax: (410) 597-0841  
Email: [maureen.carper@ssa.gov](mailto:maureen.carper@ssa.gov)

2. Disclosure Policy Issues

Willie Polk  
Office of General Counsel  
Office of Public Disclosure  
617 Altmeyer  
6401 Security Boulevard  
Baltimore, Maryland 21235  
Phone: (410) 965-1753  
Fax: (410) 966-0869  
Email: [willie.j.polk@ssa.gov](mailto:willie.j.polk@ssa.gov)

3. Regional Office Contact:

**Name: Herbert H. Vaughan**  
**Title, Office/Branch: IT Specialist**  
**Street Address: 2001 12<sup>th</sup> Avenue, N 2<sup>nd</sup> Floor Spot**  
**City, State, Zip Code: Birmingham, AL 35201**  
**Phone Number: 205-801-1808**  
**Fax Number: 205-801-1804**  
**Email Address [Herbert.vaughan@ssa.gov](mailto:Herbert.vaughan@ssa.gov)**

4. Systems Issues:

Mark Dailey  
Office of Earnings, Enumeration  
and Administrative Systems  
DTSE / Data Exchange Branch  
3-L-16 Operations  
6401 Security Boulevard  
Baltimore, Maryland 21235  
Phone: (410) 966-7849  
Fax: (410) 966-3147  
Email: [mark.dailey@ssa.gov](mailto:mark.dailey@ssa.gov)

5. Systems Security Issues:

William L. Farrell, Director  
Office of Systems Security Operations Management  
Office of Financial Policy and Operations  
G-D-10 East High Rise  
6401 Security Boulevard  
Baltimore, Maryland 21235  
Phone: (410) 965-2411  
Fax: (410) 966-0527  
Email: [william.l.farrell@ssa.gov](mailto:william.l.farrell@ssa.gov)

B. The State Agency contact is:

1. **Ken Maddox**  
**IEVS Program Coordinator, NC Division of Medical Assistance**  
**2501 Mail Service Center**  
**Raleigh, NC 27699-2501**  
**919-855-4000**  
**919-715-0801**  
**Ken.Maddox@ncmail.net**

#### XVI. Authorized Officials

The State officials with authority to request information under this agreement are:

**Director, Division of Medical Assistance; Director, Division of Social Services; Director, Division of Services for the Blind; Director, Division of Vocational Rehabilitation; Director, DHHS-State Mental Hospital and their authorized delegates.**

## XVII. Signatures

In witness whereof, the parties hereby execute this agreement this \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

**SOCIAL SECURITY ADMINISTRATION:**

\_\_\_\_\_  
**(Name of Signatory)**  
**(Region)** Regional Commissioner

**STATE AGENCY – North Carolina Department of Health and Human Services:**

\_\_\_\_\_  
**Carmen Hooker Odom**  
**Secretary**

I, **Santana Deberry**, certify that I am the legal counsel for the Agency of the State of North Carolina; that **Carmen Hooker Odom**, who signed this agreement on behalf of the Coordinating State Agency, was then **Secretary** of said Coordinating State Agency, and that **she** is authorized to enter into agreements of this nature on behalf of the Coordinating State Agency and that there is authority under the laws of the State of North Carolina to carry out all the functions to be performed by the Coordinating State Agency as provided herein and comply with the terms of this agreement.

\_\_\_\_\_  
**Santana Deberry**  
**General Council**